

Exhibit 1

April 2, 2025

Michelle Chow
Chapter 7 Bankruptcy Trustee 16200
Addison Road, Suite 140
Addison, TX 75001

Dear Ms. Chow:

Re: Proposal to acquire the Purchased Assets of DZS Inc. from Ms. Chow as Chapter 7 Bankruptcy Trustee of DZS Inc. (the "Trustee")

This Letter of Intent ("**LOI**") is intended to summarize our intentions for Managed Network Systems Inc. or another appropriately designated entity or person (collectively, the "**Purchaser**" or "**us**" or "**we**", and together with the Trustee, the "**Parties**") to acquire the assets of DZS Inc., DZS Services Inc., and DZS California Inc. (collectively, "**DZS**", and such assets, the "**Purchased Assets**"), for the aggregate proposed purchase price of \$18 million (the "**Proposed Purchase Price**") plus any Cure Costs (as defined below) (the "**Proposed Transaction**"). All monetary amounts herein are stated in the currency of the United States, unless otherwise provided herein.

We are pleased to confirm that our proposal does not rely on any financing contingency. The Purchaser not only has sufficient cash on hand to cover the Proposed Purchase Price and any Cure Costs at the time of Closing (as defined below), but also maintains adequate cash reserves to meet the working capital requirements of the business following the Closing of the Proposed Transaction.

We wish to emphasize that the Purchaser is fully prepared to expedite the completion of the Proposed Transaction, while duly acknowledging the obligations of the Trustee. We have secured the services of experienced advisors and legal counsel in both the United States and Canada to ensure a smooth and efficient process. The Purchaser is acutely aware that any delays could lead to significant losses to the business, and is therefore committed to a swift and effective transaction.

The Proposed Transaction is to be implemented pursuant to applicable laws of the United States, including the proceedings under the United States Bankruptcy Code, Title 11, Chapter 7 ("**Chapter 7**", and such proceedings, the "**Bankruptcy Proceedings**"). We understand that the Bankruptcy Proceedings relating to DZS have been commenced in the United States Bankruptcy Court for the Eastern District of Texas (the "**Court**").

1. Purchaser Experience

The Purchaser offers the benefits of a strong ownership group, with deep ties and a rich history in the telecommunications, steel and real estate industries in North America.

Clayton Zekelman, the principal of the Purchaser, has been a leading independent telecom operator in Canada for almost 30 years, primarily through Managed Network Systems Inc.

("MNSi Telecom"), which he founded in 1995. MNSi Telecom is a long time user of DZS (Previously Zhone & Paradyne) products, having deployed over 35,000 customer connections with their technology. Throughout his career, he has completed several industry acquisitions in the telecom sector.

Mr. Zekelman has significant experience in shaping Canadian telecommunications laws, regulations, and policies, engaging with federal and provincial authorities, including the Canadian Radio and Telecommunications Commission. He also has extensive expertise in cross-border mergers and acquisitions, business integration, and other transactional arrangements, including in his role at Zekelman Industries Inc.

Zekelman Industries, where Mr. Zekelman has been a significant minority shareholder and director for over 30 years, is North America's largest independent steel pipe and tube manufacturer. The Canadian-owned company, which is also renowned for its modular building innovations in offsite construction, has been family-operated for nearly 50 years, employing 3,000 people across Canada and the U.S. It has completed approximately two dozen acquisitions in North America over 25 years, with M&A and capital markets transactions valued at over \$5 billion, and excels in accessing both Canadian and U.S. debt and equity markets.

2. Acquisition Structure

We propose to structure the Proposed Transaction as an acquisition of the Purchased Assets of DZS in the Bankruptcy Proceedings, whereby the Purchaser would acquire, through a new special purpose Delaware entity ("**BidCo**"), good and marketable title to the Purchased Assets, on a debt-free and cash-free basis and free and clear of any security interests, liens, claims, interests, charges or other encumbrances of any kind or nature whatsoever, except for permitted encumbrances that may be detailed in the Acquisition Agreement (as defined below).

Except as otherwise set forth in the Acquisition Agreement, the Purchased Assets will be acquired by BidCo on an "As Is, Where Is" basis, and with all existing faults, and without any representations or warranties, express or implied, of any kind or nature whatsoever (including, without limitation, warranties of merchantability or fitness for a particular purpose or use).

(a) For greater certainty, the Purchased Assets will include the following to the extent assignable:

- (i) all rights, title, interests, benefits, and entitlements of and under all customer, supplier, and service contracts of DZS designated by the Purchaser in its sole and absolute discretion (the "**Assigned Contracts**") for assumption and assignment pursuant to 11 U.S.C. sec. 101 (the "**Bankruptcy Code**");
- (ii) all intellectual property of DZS, including, without limitation, patents, copyrights, trademarks, trade secrets, domain names and websites, software and digital assets, social media platforms, trade show assets, telephone and facsimile numbers, and any and all applications and registrations for intellectual property;

- (iii) all intellectual property of DZS licensed to DZS and designated by Purchaser in its sole and absolute discretion for assumption and assignment pursuant to the Bankruptcy Code (the "**Assigned Licensed IP**");
- (iv) all rights, title, interests, benefits, and entitlements of and under any leases or other agreements relating to real property of DZS designated by Purchaser in its sole and absolute discretion for assumption and assignment pursuant to the Bankruptcy Code (the "**Assigned Real Property Leases**");
- (v) all rights, title, interests, benefits, and entitlements of and under any leases or other agreements relating to equipment or personal property of DZS designated by Purchaser in its sole and absolute discretion for assumption and assignment pursuant to the Bankruptcy Code (the "**Assigned Personal Property Leases**", and collectively with the Assigned Contracts, the Assigned Licensed IP, and the Assigned Real Property Leases, the "**Assigned Material Agreements**");
- (vi) all rights to any and all avoidance actions of DZS currently held by the Trustee (1) related to the Assigned Contracts or (2) of customers or vendors of DZS which are related to the Purchased Assets, are agreed to by the Parties, and are set forth on a schedule to the Acquisition Agreement;
- (vii) DZS' rights under warranties, indemnities and all similar rights against third parties to the extent related to any Purchased Assets;
- (viii) originals, or where not available, copies, of all books and records that substantially relate to the Purchased Assets or Assigned Material Agreements, including books of account, ledgers and general, financial and accounting records, machinery and equipment maintenance files, customer purchasing histories, price lists, distribution lists, supplier and customer lists and related information, production data, quality control records and procedures, customer complaints and inquiry files, research and development files, records and data (including all correspondence with any governmental authority), sales material and records, strategic plans, internal financial statements and marketing and promotional surveys, material and research;
- (ix) all accounts receivable of DZS, but only to the extent that such accounts receivable are unpaid and outstanding on the Closing Date (as defined below);
- (x) all prepaid expenses and deposits of DZS, to the extent that they relate to Assigned Material Agreements;
- (xi) all inventory of DZS (including, without limitation, all finished goods, work in progress, raw materials, component parts and other items customarily forming part of the inventory of DZS);

- (xii) all permits, authorizations, and licenses of DZS;
 - (xiii) all equipment, vehicles, machinery, fixtures, tools, furniture, furnishings, office supplies, information technology assets and all other items of tangible personal property of DZS;
 - (xiv) all rights of DZS to the Guaranteed Closing Payment (as defined in that certain Asset Purchase Agreement dated October 16, 2024 by and between DZS and AXON Networks, Inc.);
 - (xv) the goodwill of DZS, including all right, title and interest of DZS in, to and in respect of all elements which contribute to the goodwill of DZS, including the goodwill represented by packaging, labelling, advertising, marketing and promotional materials and the right to use the name "DZS"; and
 - (xvi) all other assets determined by the Purchaser and included in the Acquisition Agreement.
- (b) The Purchased Assets shall not include the following (collectively, the "**Excluded Assets**"):
- (i) all cash and cash equivalents held by DZS and bank accounts in the name of DZS;
 - (ii) all securities and investments held by or for the benefit of DZS;
 - (iii) all rights to any and all avoidance actions and/or claims of DZS currently held by the Trustee, but specifically excluding any such rights set forth in Section 2(a)(vi) above;
 - (iv) all rights in connection with Perficient, Inc. v. DZS, Inc. in the United States District Court for the Eastern District of Texas, Sherman Division (Case 4:22-CV-00801-SDJ);
 - (v) any claims (or potential claims) or causes of action brought by the Trustee which are not related to the Purchased Assets, including, but not limited to any claims or causes of action against EdgeCo, LLC;
 - (vi) all prepaid insurance and all directors' and officers' policies and any related claims;
 - (vii) all assets of DZS designated by the Purchaser as Excluded Assets pursuant to the Acquisition Agreement; and
 - (viii) all other assets of DZS not included in the definition of Purchased Assets.
- (c) Purchaser shall assume such liabilities or obligations of DZS created or accruing prior to the Closing Date as the Purchaser expressly agrees in writing to assume pursuant to the

Acquisition Agreement or an order of the Bankruptcy Court agreed to by Purchaser (collectively, the "**Assumed Liabilities**").

(d) For the avoidance of doubt, the following liabilities or obligations of DZS will be excluded from the Proposed Transaction (collectively, "**Excluded Liabilities**"):

- (i) any liability or obligation agreed to by the Parties and set forth in the Acquisition Agreement or in a schedule to the Acquisition Agreement; and
- (ii) any and all obligations relating to all employees of DZS arising or accruing prior to the Closing Date including those for workplace safety and insurance, wages, salaries, bonuses, accrued vacation, pensions and benefits, termination and severance (taking into consideration their seniority). For greater certainty, the Purchaser will not be responsible for any obligations to any of the employees of DZS who are terminated by DZS before, on or after Closing.

Consummation of the Proposed Transaction (as set out below, the "**Closing**") will be subject to the negotiation and execution of a definitive acquisition agreement (the "**Acquisition Agreement**") between the Purchaser and the Trustee, on terms that are mutually satisfactory to both Parties. The Parties intend for this LOI to serve as the non-binding framework for a going concern asset purchase transaction under Chapter 7 and intend, in good faith, to enter into the Acquisition Agreement by no later than April 8, 2025.

Upon execution of this LOI, the Trustee will use reasonable efforts to provide to the former employees of DZS contact information for the Purchaser, so that such employees may, if they wish, contact the Purchaser and discuss the opportunity for employment with the Purchaser following the Closing. The Purchaser specifically acknowledges that the Trustee is prohibited by law from disclosing any personally identifiable information regarding former employees of DZS, and any actions taken by the Trustee may be limited by this prohibition.

3. Deposit and Proposed Purchase Price

A deposit (the "**Deposit**") of \$1 million shall be remitted contemporaneously with execution of this LOI by the Purchaser to the Trustee and held by the Trustee in such account as permitted by the Bankruptcy Code.

If any of the following events occur prior to April 29, 2025, the Trustee shall only be required to return fifty percent (50%) of the Deposit, along with all accrued interest, to the Purchaser, which payment shall be made within five (5) Business Days of the applicable event: (i) the Purchaser terminates the LOI, fails to execute the Acquisition Agreement, or elects to withdraw from the Proposed Transaction; or (ii) the Purchaser terminates the Acquisition Agreement; *subject*, in each case, to the provisions below which are paramount. Such remaining fifty percent (50%) of the Deposit shall be forfeited to the Trustee.

Notwithstanding the foregoing, the entirety of the Deposit, along with all accrued interest, shall be returned to the Purchaser if: (A) the Purchaser terminates the LOI or the Acquisition

Agreement due to a breach by the Trustee of the LOI or the Acquisition Agreement, as applicable; (B) the Purchaser terminates the Acquisition Agreement if the closing conditions set forth in the Acquisition Agreement cannot be satisfied within 10 days of the Court's approval of the Proposed Transaction and the Acquisition Agreement; (C) if the Trustee accepts a proposal from a third party other than the Proposed Transaction which is a higher and better offer; or (D) if the Proposed Transaction is not consummated because the Court fails to approve the Proposed Transaction or the Acquisition Agreement.

In the event that the Trustee terminates the Acquisition Agreement due to a breach by the Purchaser of the Acquisition Agreement, the entirety of the Deposit, along with all accrued interest, shall be forfeited to the Trustee.

Upon Closing, the Deposit will be applied to the Proposed Purchase Price, and the remaining amount of the Proposed Purchase Price will be payable by the Purchaser through BidCo by wire transfer of immediately available funds to or as otherwise directed in writing to the Purchaser by the Trustee.

To the extent that any cure costs are a condition to the assignment to the Purchaser of any Assigned Material Agreements or other Purchased Assets (collectively, "**Cure Costs**"), such Cure Costs shall be payable by the Purchaser to the party entitled to receive such payments on Closing, separate from and in addition to the Proposed Purchase Price amount. The Purchaser shall determine, in its sole and absolute discretion, whether to pay any Cure Costs to any party.

4. Process Milestones

The Parties agree to use commercially reasonable efforts to achieve the following milestones, or such other dates as the Parties shall agree in writing, with respect to the Proposed Transaction:

- (i) filing of pleadings with the Bankruptcy Court, in form and substance acceptable to Purchaser in its reasonable discretion, seeking approval of the Proposed Transaction, on or before April 4, 2025;
- (ii) entering into the definitive Acquisition Agreement and filing notice with the Bankruptcy Court, in form and substance acceptable to Purchaser in its reasonable discretion, seeking approval of the Acquisition Agreement on or before April 21, 2025;
- (iii) entry of an order or orders of the Bankruptcy Court, in form and substance acceptable to Purchaser in its reasonable discretion, approving the Proposed Transaction including, without limitation, assignment of the Assigned Material Agreements (the "**Sale Order**") prior to April 29, 2025; and
- (iv) Closing on the Proposed Transaction by no later than April 30, 2025 (the "**Outside Date**").

5. Closing

The Proposed Transaction will close on the date on which all of the conditions precedent to closing are satisfied or the next business day, if that day falls on a weekend or statutory holiday, but no later than the Outside Date. The Purchaser is committed to closing the Proposed Transaction in an expeditious manner and does not anticipate any impediments to closing based on the information provided to date.

6. Conditions Precedent

The intentions set forth in this LOI are predicated on a number of conditions to be included in the Acquisition Agreement and in effect up to the Closing of the Proposed Transaction as follows (collectively, the "**Conditions Precedent**"):

- (i) completion of due diligence to the full satisfaction of the Purchaser ("**Due Diligence**") in accordance with Section 8 below; provided, for greater certainty, that the Acquisition Agreement shall not be capable of being terminated as a result of the Due Diligence condition;
- (ii) the execution of mutually satisfactory transaction documentation reflecting the terms and conditions contained in this LOI (which will include the Acquisition Agreement);
- (iii) assignment of all owned intellectual property of DZS;
- (iv) assignment of agreements with the material third party contract manufacturers set forth in a schedule to the Acquisition Agreement on or prior to Closing, on terms and conditions acceptable to the Purchaser; and
- (v) entry of such final orders of the Bankruptcy Court in connection with the Proposed Transaction as the Purchaser determines in its reasonable discretion within the milestone dates set out in Section 4 herein; and if required by the Purchaser, the Trustee shall have obtained an order assigning any Assigned Material Agreements or any other material contracts to be assigned to the Purchaser as Purchased Assets or ancillary thereto, pursuant to the Bankruptcy Code, with such amendments to subsequent process milestones as may be necessary for the purpose of obtaining such order.

7. Acquisition Agreement

Upon receipt of a copy of this LOI executed by the Purchaser, the Trustee will instruct its counsel to prepare the Acquisition Agreement to reflect the terms and conditions contained in this LOI and such other terms and conditions as are reasonable and appropriate for transactions of a similar nature to the Proposed Transaction, including the following:

- (i) the Purchased Assets will be sold on an "As Is, Where Is" basis, subject to (i) clearance of issues identified by the Purchaser and arising from the Due Diligence, and (ii) terms and conditions of material contracts that are to be assumed by the Purchaser;

- (ii) the Acquisition Agreement will be subject to Bankruptcy Court approval and obtaining issuance of the requisite final orders of the Bankruptcy Court in respect of the Proposed Transaction and other orders within the Bankruptcy Proceedings as may be acceptable to the Purchaser, in its reasonable discretion;
- (iii) the Acquisition Agreement will provide a mechanism to adjust the Proposed Purchase Price in the event that a material Purchased Asset is not owned by DZS and therefore is not able to be transferred by the Trustee to the Purchaser;
- (iv) finalized payment arrangements for all Cure Costs in respect of key customers and vendors of DZS, as mutually agreed to by the Parties; and
- (v) the Acquisition Agreement will provide that the Deposit will be immediately returned to the Purchaser in accordance with the terms set out in Section 3.

8. Due Diligence

Upon execution of a non-disclosure agreement, from and after the date of this LOI, the Trustee will allow the Purchaser and its advisors full access to DZS' virtual data room. The Trustee will use its best efforts to, upon the request of the Purchaser, provide the Purchaser and its advisors access to DZS' facilities, records, customers, suppliers, counter-parties including lessors, licensees, licensors, advisors, and other relevant parties for the purpose of completing the Purchaser's due diligence review of: (i) Excluded Assets, (ii) Excluded Liabilities, (iii) Assumed Liabilities, (iv) Purchased Assets, and (v) Assigned Material Agreements. The due diligence investigation will cover, among other things legal, accounting and tax diligence; confirmatory reviews of insurance and information technology items; the completion of business due diligence, a review of information relating to consent and cooperation of suppliers and secured creditors or other critical stakeholders, and any other matters or documents as the Purchaser or the Purchaser's accountants, tax and legal counsel and other advisors deem relevant and necessary, including updates on timelines and developments regarding the Bankruptcy Proceedings as they occur, in real time. The Purchaser's due diligence will continue up to and after the execution of the Acquisition Agreement in accordance with Section 4 herein.

Upon accepting this LOI, the Trustee will give the Purchaser and its employees, auditors, legal counsel and other authorized representatives access to a fully populated data room provided at the Trustee's sole cost. The Trustee will also use its best efforts to provide access for the Purchaser to inspect, investigate, and audit the assets, liabilities, contracts, books, records, operations, and business relating to the Purchased Assets.

If the Purchaser requests in writing at any time on or prior to the Closing Date, the Trustee will promptly provide reasonable access to the real property premises of DZS. This access will be permitted during normal business hours at times and frequencies mutually agreed upon by the Parties.

9. Option to Acquire Securities of DZS

The Purchaser shall have the options, but not the obligations, to acquire any or all of the issued and outstanding securities of the affiliates and subsidiaries of DZS Inc. at a price of \$100 per entity. This option may be exercised by the Purchaser at any time prior to the Closing of the Proposed Transaction, upon written notice to the Trustee. Notwithstanding the foregoing, Purchaser acknowledges that NetComm Wireless Pty Ltd. ("**Netcomm**") is subject to a bankruptcy or insolvency sale process in Australia and, accordingly, Purchaser shall only be able to exercise its option to acquire all of the issued and outstanding securities of Netcomm in accordance with applicable law.

10. Exclusivity

Purchaser acknowledges that notwithstanding the execution of this LOI and the execution of the Acquisition Agreement, the Trustee will continue to solicit offers to purchase the assets of DZS, and Trustee's acceptance of the Proposed Transaction is subject to higher and better offers, as determined by the Trustee or the Bankruptcy Court (a "**Conforming Competing Bid**"). To the extent that the Trustee receives a proposal from a competing bidder that is a higher and better offer, the Purchaser shall have the right to provide a higher and better offer than the Conforming Competing Bid on or prior to the date on which the Bankruptcy Court approves the Sale Order. The Bankruptcy Court shall have the sole authority to determine the ultimate highest and best offer. For avoidance of doubt, Purchaser shall have the right to seek approval from the Bankruptcy Court of any such bid and to object to other bids as not being higher and better.

11. Termination

The Parties agree to negotiate in good faith and execute a definitive Acquisition Agreement by the milestone set out in Section 4. This LOI may be immediately terminated at any time:

- (i) by notice in writing by the Purchaser;
- (ii) by the Trustee, if the Acquisition Agreement has not been executed on or prior to the milestone set out in Section 4; and
- (iii) automatically, upon the execution of a definitive Acquisition Agreement by the Parties.

provided that Sections 10 (Exclusivity) and 12 (Costs) of this LOI will survive any termination of this LOI.

12. Costs

The Parties are responsible for and shall bear all of their respective costs and expenses (including any broker's or finder's fees and the expenses of their representatives) incurred in connection with the Proposed Transaction; *provided, however*, that if the Trustee and the

Bankruptcy Court accept a higher and better Conforming Competing Bid in lieu of the Proposed Transaction, the Purchaser reserves the right to request the Bankruptcy Court to reimburse Purchaser's actual legal expenses in an amount not to exceed \$750,000 incurred in pursuit of the Proposed Transaction. The Trustee, through its counsel, will prepare initial drafts of the Acquisition Agreement and all other documents relating to obtaining approval of the Proposed Transaction in the Bankruptcy Proceedings.

13. No Assignment

This LOI may not be assigned by any party without the prior written consent of the other party.

14. General

This LOI is not intended to, nor will it, bind the Purchaser, nor is it intended to create any legal or other obligations of the Purchaser or yourselves, other than with respect to Sections 3 (as pertains to the return of the Deposit), 11 (Termination), and 12 (Costs), of this LOI. This offer remains subject to our Due Diligence of DZS.

We are enthusiastic about this opportunity and look forward to continuing our discussions with you and proceeding expeditiously to conclude a successful transaction.

This LOI shall be open for acceptance by the Trustee until 5:00 PM (CT) on Thursday, April 3, 2025 and if not so accepted, this offer shall lapse and be null and void without any liability to the Purchaser.


(Signature page follows)

Sincerely yours,
MANAGED NETWORK SYSTEMS INC.

DocuSigned by:

Per: 800DC48D12BD414...
Name: Clayton Zekelman
Title: Chief Executive
Officer

The undersigned acknowledges and agrees to the foregoing as of the 2nd day of April, 2025.

DocuSigned by:

25D6877BCBD9481...
Michelle Chow, in her capacity as Chapter 7
Bankruptcy Trustee of DZS Inc. (EDTX 25-40712),
DZS Services Inc. (EDTX 25-40713) and
DZS California Inc. (EDTX 25-40714), subject to
Bankruptcy Court approval